

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A
TO THE
RECLAMATION CONTRACT☒ APPROVEDName of Operator: Rock & Stone LLCPermit Number: S/013/0008Mine Name: Strawberry RiverPhone Number: (435) 640-3750

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease
☐ Increase
☒ Replacement

Reason: ☐ Amendment to NOI
☐ Cancellation/ Termination of surety
☐ Escalation
☐ Partial Release of surety
☒ Other
Explain: Replacement CD

PIC
5/013/008

Surety Dollar Amount Associated With This Action: \$17,000.00Surety Aggregate Amount: \$17,000.00

Included in this modification (surety must be attached)

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input checked="" type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Other

Explain: New Replacement CD #0983911579

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DIV. OF OIL, GAS & MINING

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

Cliff Read CLIFF READ MANAGER
Authorized Officer Signature Printed Title

3-20-08
Date

John R. Baza
Division Director John R. Baza
Utah Division of Oil, Gas and Mining

5/8/08
Date

080004

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Rock & Stone, LLC** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/013/008** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

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workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety.

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The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Rock & Stone LLC

Operator Name

By CLIFF READ MNG.

Authorized Officer (Typed or Printed)

Authorized Officer - Position

[Signature]

Officer's Signature

6-27-07

Date

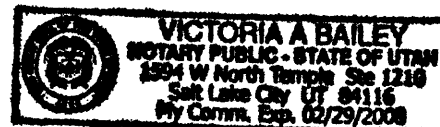
STATE OF Utah

COUNTY OF Salt Lake) ss:
)

On the 27th day of June, 2007, Cliff Read
personally appeared before me, who being by me duly sworn did say that
he/she is an Officer (owner, officer, director, partner, agent
or other (specify)) of the Operator Rock & Stone, LLC and duly
acknowledged that said instrument was signed on behalf of said Operator by
authority of its bylaws, a resolution of its board of directors or as may otherwise
be required to execute the same with full authority and to be bound hereby.

[Signature: Victoria A. Bailey]
Notary Public
Residing at Salt Lake City, UT

February 29, 2008
My Commission Expires:



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DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

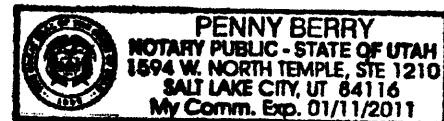
7/16/07
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 16 day of July, 2007, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Building Stone

Mine Name: Strawberry River

County: Duchesne

Disturbed Acres: 4 (four)

Operator Name: Rock & Stone, LLC

Operator address: PO BOX 1947 PARK CITY UT 84060

Operator telephone: (435) 640-3750 (CELL)

Operator fax: (435) 649-9720

Operator email: parkcitynails@msn.com

Contact: Cliff Read

Surety Type: LOC

Held by (Bank/BLM): Zions Bank

Surety Amount: \$17,000

Surety Account Number: ZSB801957

UTU and/or ML number: n/a

Escalation Year: 2010

Tax ID or Social Security (for cash only): n/a

April 17, 2008

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DIV. OF OIL, GAS & MINING

State of Utah, Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84112



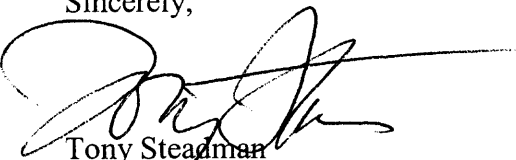
Attn: Mr. Jed Pearson – (801) 538-5382 or jedpearson@utah.gov

This letter acknowledges a certificate of deposit as Reclamation Surety by Zions Bank from the Division of Oil, Gas, and Mining (OGM). The bank agrees to the terms and instructions of the CD Letter Agreement. An administrative hold has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD Letter Agreement.

Mine Site: Strawberry River, # S/013/008
Account Name: Rock & Stone, LLC
Account Number: 0983911579
Principal Amount: \$17,000.00
Original Acknowledgement: 04/27/2007

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Sincerely,


Tony Steadman
Vice President
Commercial Relationship Manager
Zions Bank

ZIONS BANK®

Zions Park City Bank

PH: 435 647 0042
1100 Snow Creek
Park City
Utah, 84060

ZIONS BANK
1100 Snow Creek Dr.
P.O. Box 3899
Park City, Utah 84060
(435)647-0041

April 17, 2008

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DIV. OF OIL, GAS & MINING



Attention: Tony Steadman, Commercial Relationship Manager
(435)658-6570 Anthony.Steadman@zionsbank.com

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Subject: Reclamation Surety, Certificate of Deposit for Rock & Stone, LLC, Strawberry Mine Site, S/013/008, Duchesne County, Utah

Certificate of Deposit # 0983911579, Principal Amount \$17,000.00

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank, regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Strawberry River mine site, Duchesne County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$17,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas, & Mining upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Rock & Stone, a LLC corporation, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas, & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by L. Clifton Read, Jr. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

ZIONS BANK®

Zions Park City Bank

PH: 435 647 0042

1100 Snow Creek

Park City

Utah, 84060

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas, & Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$17,000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

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Zions Park City Bank

PH: 435 647 0042

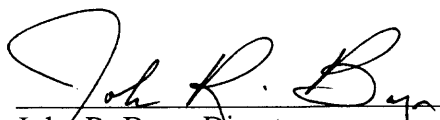
1100 Snow Creek

Park City

Utah, 84060

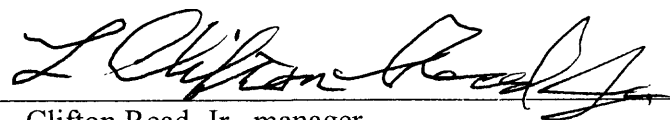
Agreed Upon By:





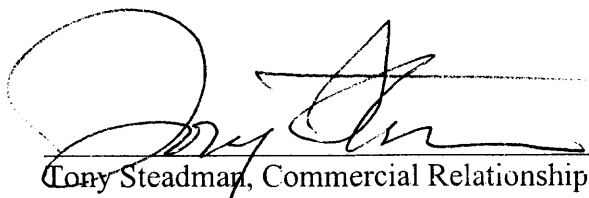
John R. Baza, Director
Utah Division of Oil, Gas, & Mining

Date: 5/8/08



L. Clifton Read, Jr., manager
Rock & Stone, LLC.
20-8924307

Date: 4-17-08



Tony Steadman, Commercial Relationship Manager
Zions Bank

Date: 4-17-08

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Zions Park City Bank

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Park City

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